

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6027**

**BILL NUMBER:** HB 1069

**NOTE PREPARED:** Oct 28, 2005

**BILL AMENDED:**

**SUBJECT:** Military Family Relief.

**FIRST AUTHOR:** Rep. Avery

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill establishes the Military Family Relief Trust Fund to provide grants to the families of Indiana residents who: (1) are members of the Indiana National Guard or the armed forces reserves; and (2) have been called to active duty after September 11, 2001. The bill allows the Veterans' Affairs Commission to establish the eligibility criteria and application and selection procedures for the grants. It funds the Military Family Relief Trust Fund by taxpayer designation on a state income tax return of: (1) a contribution; or (2) all or part of the taxpayer's state income tax refund. It also makes an appropriation.

**Effective Date:** January 1, 2007.

**Explanation of State Expenditures:** This bill creates the Military Family Relief Trust Fund. The purpose of the Fund is to provide assistance with food, housing, utilities, medical services, basic transportation, and other expenses that have become difficult to afford for families of members of the armed forces or National Guard who were called to active duty after September 11, 2001. The Director of Veterans' Affairs is to administer the Fund, which consists of the following: (a) refunds and contributions donated through individual tax returns, (b) appropriations made by the General Assembly, (c) donations, (d) interest, (e) money transferred to the fund from other funds, and (f) money from any other source. The expenses of administering the Fund shall be paid from the Fund.

*Creation of Rules:* The bill requires the Veterans' Affairs Commission to adopt rules for the provision of grant money from the Fund. The expenses relating to the creation of these rules presumably could be implemented within the existing level of resources available to the Commission.

*Veterans' Affairs Check-Off:* The bill creates a mechanism for Indiana residents to donate money to the Fund when filing individual or joint state income taxes. The Department of State Revenue (DOR) would incur some administrative expenses relating to the revision of tax forms, instructions, and computer programs to incorporate the tax refund check-off for the Military Family Relief Trust Fund. The bill also requires the DOR to include a written description of the purposes and uses of the Fund in the instructions for the individual income tax return. The check-off would begin in tax year 2007. The expenses relating to these changes presumably could be implemented within the DOR's existing budget and resources.

**Explanation of State Revenues:** Currently, Indiana individual income tax forms include one check-off fund, the Non-Game Fund. In tax year 2003, the Fund collected \$363,478 from 29,069 tax returns. It is not known how this new check-off for the Military Family Relief Trust Fund will affect the amount of funds that are directed to the Non-Game Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State Revenue; Indiana Department of Veterans' Affairs.

**Local Agencies Affected:**

**Information Sources:**

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